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Chairman: Mr. Maurer ..... (Switzerland)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Ms. McLurg

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The meeting was called to order at 10.10 a.m.

Organization of work (A/C.5/64/L.35)

1. **The Chairman** invited the Committee to consider the proposed tentative and provisional programme of work for the second part of the resumed sixty-fourth session, prepared on the basis of a note by the Secretariat on the status of preparedness of documentation (A/C.5/64/L.35).

2. **Mr. Al-Shahari** (Yemen), speaking on behalf of the Group of 77 and China, said that many of the items to be taken up involved peacekeeping operations, which were of critical importance to the Group. He trusted that the programme of work would be adjusted as warranted by developments in the Committee's deliberations and the availability of documents.

3. **Mr. Oyarzun** (Spain), speaking on behalf of the European Union; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania, Bosnia and Herzegovina, Montenegro and Serbia; and, in addition, Armenia, Azerbaijan, Georgia, Iceland, Liechtenstein, Republic of Moldova and Ukraine, said that maintaining international peace and security was a core function of the United Nations. The European Union, mindful of the need for efficiency and budgetary discipline as well as the need for adequate resources for the implementation of peacekeeping mandates, would judge the Secretary-General's proposed budgets for peacekeeping operations on their merits. During the discussions on cross-cutting issues, including the proposed global field support strategy, the Union would strive for effective and efficient peacekeeping as well as improvements in how the United Nations discharged its mandates in the areas of peace and security. The European Union considered it a priority to have funds in closed peacekeeping accounts returned to Member States in accordance with the Organization's Financial Regulations and Rules.

4. While he welcomed the efforts made by the Secretariat and the Advisory Committee on Administrative and Budgetary Questions to improve the timely issuance of documents, it was unfortunate that some documents were still unavailable.

5. **Mr. Coffi** (Côte d'Ivoire), speaking on behalf of the Group of African States, reaffirmed the Charter obligation to fund peacekeeping operations, and said that any delay in adopting peacekeeping budgets, as had occurred at the second part of the resumed sixty-third session, would signal that Member States no longer valued peacekeeping missions. In that regard, the Group would not accept any negotiations that involved a package deal. Across-the-board cuts that failed to take into account the specific challenges and mandates of missions would put missions in jeopardy, and would undermine trust and mutual respect. The peacekeeping budget level proposed for 2010/11 was appropriate; any reduction in the level of appropriations for specific missions should be based on objective grounds.

6. Member States owed a debt of gratitude to the more than 100,000 blue helmets who were often in harm's way, but stayed true to the values and goals of the United Nations.

7. **Ms. Pakarati** (Chile), speaking on behalf of the Rio Group, said that urgent attention should be given to the United Nations Stabilization Mission in Haiti (MINUSTAH), which required additional resources not covered by the Mission's regular peacekeeping budget.

8. The Group also attached great importance to the proposed global field support strategy, which would make peacekeeping operations more efficient and effective.

9. **Mr. Chowdhury** (Bangladesh), speaking on behalf of the Group of Asian States, conveyed the Group's condolences to the Government and people of China for the devastation and deaths caused by the recent earthquake.

10. The Group deeply admired United Nations peacekeepers for their commitment to that noble cause and paid special tribute to those who had laid down their lives in the line of duty.

11. Despite some improvements in the timely issuance of documentation, the failure to make all documents on peacekeeping budgets available well in advance affected the quality of decision-making by Member States. The Secretary-General should address the factors impeding timely issuance in order to bring the Secretariat into strict compliance with the six-week rule. Further improvement of the communication between the Bureau and secretariat of the Fifth Committee and the Chairman of the Advisory Committee would help synchronize the work of the two bodies.

12. **Mr. Melrose** (United States of America) expressed his delegation's respects to those who had lost their lives while discharging their obligations as United Nations peacekeepers and to their families. He commended the hard work and commitment of all United Nations personnel involved in the difficult task of peacekeeping.

13. An unprecedented number of military and civilian peacekeepers were currently deployed in the field, while the proposed budgets for peacekeeping missions totalled over $8 billion, some four times the annual level of the regular budget. His delegation was committed to providing the necessary resources and support services to allow peacekeeping missions to fulfil their mandates. At the same time, given the financial constraints facing all governments, vigilance was required to ensure that resources were used effectively, efficiently and transparently. His delegation was also committed to continuous improvement in the performance and management of missions and to that end it supported, in principle, the adoption of a global field support strategy that would deliver efficiencies and economies of scale as well as strengthened accountability and more rapid deployment of missions.

14. **Mr. Sugiyama** (Japan) said that the Secretariat should make further efforts to comply with the six-week rule for the issuance of documents, as not all reports to be taken up by the Committee at the current part of the resumed session were available.

15. It was regrettable that no cross-cutting resolution on peacekeeping had been adopted in the previous two years, since such a resolution could lead to a more efficient use of resources. His delegation wished to see a successful conclusion to deliberations on that issue — including the proposed global field support strategy — at the current session.

16. The programme of work should be adjusted as required and items judiciously prioritized, while the Secretariat should provide expeditiously all additional information requested by Committee members.

17. **The Chairman** said that he took it that the Committee wished to approve the proposed programme of work agreed by the Bureau, on the understanding that adjustments would be made, where necessary, during the course of the session.

18. *It was so decided.*

Agenda item 129: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*) (A/64/5 (Vol. II), A/64/702 and A/64/708)

19. **Mr. Vanker** (Chairman of the Audit Operations Committee of the Board of Auditors), introducing the report of the Board of Auditors on the United Nations peacekeeping operations for the 12-month period from 1 July 2008 to 30 June 2009 (A/64/5 (Vol. II)), said that the Board highly valued its interactions with the Fifth Committee, as highlighting areas of interest to Member States and areas of greater risk, and thus guiding audit planning and reporting. The Board's audit report addressed issues and their root causes and served as a tool for improvement when paired with the efforts of the Administration and oversight bodies. The Board was available not only to provide clarification in respect of matters raised in its report but also to consider new requests or extensions of scope for its future work.

20. The Board had noted some improvements in the physical counting of non-expendable property in peacekeeping missions in 2008/09; however, there were still significant discrepancies in various missions during physical verifications by the Administration. In addition, assets valued at $121 million were pending write-off and/or disposal, about half of which had been pending for more than six months. The Board had also noted the continued absence of disclosure of expendable property in the financial statements, as well as discrepancies in physical counts. Therefore, as for the previous year, the Board had issued a modified audit opinion with two emphasis of matter paragraphs covering those two areas. The Administration must give priority to addressing the deficiencies with respect to expendable and non-expendable property, especially to ensure accountability for the assets under its control and to prepare for the implementation of International Public Sector Accounting Standards.

21. The report addressed areas of focus identified by the Board on the basis of its risk assessment as well as special requests by the Advisory Committee on Administrative and Budgetary Questions. Having reviewed the status of the recommendations made in its previous report, the Board had found that 40 per cent of those had been fully implemented, an increase of 8 per cent compared to the previous year. Of the recommendations that were unimplemented or had been partially implemented, 16 per cent were two or

more years old. Two outstanding recommendations had first been raised in 2003/04. Several recommendations were reiterated from the previous year, mainly with respect to human resources management, management of expendable and non-expendable property, and procurement and contract management.

22. The percentage of assessed contributions receivable outstanding for more than two years remained as high as 39 per cent. The Board continued to express concern about the high incidence of cancellation of unliquidated obligations.

23. Peacekeeping operations would depend on the United Nations Secretariat to provide accounting and related services for the implementation of the International Public Sector Accounting Standards. The implementation deadline for the Secretariat had been pushed back to 2014. In the Board's view, the timely implementation of the Standards was a critical aspect of management reform. The milestones leading to their implementation must therefore be carefully monitored.

24. The Board had noted deficiencies in a number of areas of procurement and contract management. It had also made observations concerning human resources management, air operations, information and communications technology, and internal audit, in respect of all of which there was room for improvement.

25. **Ms. Tolani** (Director, Office of the Under-Secretary-General for Management), introducing the report of the Secretary-General on the implementation of the recommendations of the Board of Auditors concerning United Nations peacekeeping operations for the financial period ended 30 June 2009 (A/64/702), said that the report showed the status of implementation of the Board's recommendations, the office responsible, the estimated completion date and the priority accorded each recommendation, the main recommendations having been designated high priority. Implementation of these recommendations made a positive contribution to efficiency and effectiveness.

26. **Ms. McLurg** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's observations and recommendations on the Board of Auditors' report (A/64/708), commended the Board of Auditors on the quality and comprehensiveness of its report, which facilitated the examination of peacekeeping performance reports and budgets.

27. The Advisory Committee continued to be concerned at the recurrence of problems previously identified by the Board and the persistent failure to implement the Board's recommendations, which reflected weaknesses not only in the Secretariat's compliance with the Financial Regulations and Rules but also in administration at all levels of management. Given the financial and other risks to which the United Nations was exposed, the Secretary-General should ensure the implementation of the Board's recommendations and strengthen measures to address the underlying causes and thereby improve accountability and management.

28. Continued deficiencies in the asset management of various peacekeeping missions were also a concern. The issuance of a modified audit opinion by the Board of Auditors for three consecutive financial periods raised doubts as to the efficient use of resources and the safeguarding of the Organization's assets.

29. While the Advisory Committee had not issued a separate report on the report of the Secretary-General on the implementation of the recommendations of the Board of Auditors (A/64/702), detailed information should have been provided on specific actions taken to ensure the implementation of the Board's recommendations; the criteria used in assigning different levels of priority to those recommendations; accountability measures taken in respect of programme managers responsible for the persistent non-compliance with the Board's recommendations; and the rationale for assigning responsibility for the implementation of those recommendations to various departments of the Secretariat. The Advisory Committee would review the Secretary-General's response to the weaknesses identified when he submitted his next report on the implementation of the recommendations of the Board of Auditors on peacekeeping operations.

30. **Mr. Al-Shahari** (Yemen), speaking on behalf of the Group of 77 and China, said that despite the improvement in the rate of implementation of recommendations made by the Board of Auditors over the previous five years, the Secretariat should identify the root causes of recurrent issues and minimize the ageing of recommendations. It was also important for recommendations not to be implemented piecemeal.

31. An enhanced performance audit of peacekeeping operations was required in order to evaluate their management and ascertain the causes of the anomalies

discovered by the Board. The Secretary-General should hold managers accountable by setting the time frame and priorities for implementing recommendations and including them in managers' compacts. In that regard he noted that the Board had not addressed disciplinary measures.

32. Observing that, as at 30 June 2009, assessed contributions receivable had amounted to $1.51 billion, a 4 per cent decrease compared with 2007/08, he called on all Member States to make greater efforts to pay their assessments in full, on time and without conditions.

33. The Group wished to know why the Administration's study of the support account for peacekeeping operations had been limited to a historical trend analysis.

34. The fact that most of the Board's 30 main recommendations for the period 2008/09 were largely reiterations of previous recommendations demonstrated a consistent failure to ensure compliance with the Financial Regulations and Rules. The Administration must seek appropriate solutions. The Secretariat must also strengthen the asset control environment in peacekeeping to ensure the efficient use of resources and safeguard the Organization's assets.

35. The United Nations Logistics Base at Brindisi should establish a monitoring mechanism to prevent the deterioration or obsolescence of inventory. He had been shocked to learn that, owing to a failure to adhere to the first-in, first-out principle, five first aid paramedic kits and 10 first aid trauma kits sent to the African Union-United Nations Hybrid Operation in Darfur (UNAMID) from the strategic deployment stocks had exceeded their life expectancy.

36. Noting that procurement from developing countries and countries with economies in transition had declined from 60 per cent to 53.6 per cent of total procurement from 2007 to 2008, he called on the Secretariat to make greater efforts to promote such procurement and to increase opportunities for vendors from those countries, in compliance with several General Assembly resolutions.

37. In reaching their conclusions regarding the underutilization of the resources appropriated for quick-impact projects, the Board of Auditors and Advisory Committee had failed to take into account such factors as cumbersome financial procedures and internal control measures, which hampered the implementation of those projects within the required time frames and resulted in lost opportunities.

38. **Ms. González Betancort** (Spain), speaking on behalf of the European Union; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania, Bosnia and Herzegovina, Montenegro and Serbia; and, in addition, Armenia, Georgia, Iceland, Republic of Moldova and Ukraine, said that it was regrettable that deficiencies in the management of expendable and non-expendable property in peacekeeping missions had not been addressed. Asset management must be strengthened and adequate safeguards put in place to prevent waste and financial loss. The Secretariat must also address the recurrence of problems previously identified by the Board of Auditors.

39. The European Union was concerned that assessed contributions outstanding for more than two years represented 39 per cent of the total assessed contributions receivable. Member States must pay their contributions in full, on time and without conditions to allow peacekeeping operations to carry out their mandates.

40. Although the vacancy rate of resident auditors at field missions had improved somewhat, the continued shortage of resident auditors tended to weaken internal controls. Effective internal audit coverage of all missions was required.

41. **Mr. Ballantyne** (New Zealand), speaking also on behalf of Australia and Canada, said that the three delegations were concerned that the Fifth Committee was once again considering a modified audit opinion with emphases of matter. The discrepancies between the physical count of expendable and non-expendable property and the information recorded, repeated for the third year, was a matter of concern. He called on the Secretary-General to hold accountable those to whom authority to remedy the situation had been delegated.

42. Results-based budgeting, in the application of which the Board of Auditors had observed certain deficiencies, added value by allowing a comparison of actual performance with planned results. Missions should ensure that indicators were specific, measurable, attainable, realistic and time-bound in order to facilitate effective monitoring and reporting.

43. The Board of Auditors could benefit the Organization even further if the scope of its work was broadened to include assessments of performance and effectiveness.

44. **Mr. Chowdhury** (Bangladesh), speaking on behalf of the Group of Asian States, said that, despite some improvement in the rate of implementation of the Board's recommendations, the recurrence of issues, the persistent non-compliance with recommendations and the lack of accountability of managers both at Headquarters and in the missions were lamentable. The compacts between the Secretary-General and senior managers could be a useful tool in ensuring that action was taken to implement the Board's recommendations.

45. The Board's repeated issuance of modified audit opinions with an emphasis of matter with respect to asset management reflected negatively on the control environment in peacekeeping operations. Management must take measures to remedy deficiencies and manage the Organization's assets effectively.

46. Deficiencies in the monitoring of the strategic deployment stocks at the United Nations Logistics Base were of great concern. A strict monitoring mechanism was required, with full enforcement of the first-in, first-out principle, particularly with regard to medical supplies, to safeguard the health and well-being of peacekeepers.

47. Also of concern were the irregularities in procurement and contract management. Strict compliance with procurement rules and procedures must be ensured at all levels and all of the Board's recommendations on procurement must be implemented. The Secretariat should also increase its efforts to promote the participation of vendors from developing countries in peacekeeping procurement.

48. Lastly, the Administration should fully implement the Board's recommendations to address high vacancy rates in peacekeeping missions, which could adversely affect the delivery of mandates and the functioning of internal controls.

Agenda item 147: Financing of the United Nations Operation in Burundi (A/64/610 and A/64/650)

Agenda item 153: Financing of the United Nations Mission in Ethiopia and Eritrea (A/64/586 and Corr.1 and A/64/660/Add.1)

Agenda item 155: Financing of the United Nations Stabilization Mission in Haiti (A/64/660/Add.10 and A/64/728)

49. **Mr. Yamazaki** (Controller), introducing the final performance report of the United Nations Operation in Burundi (ONUB) (A/64/610), said that the report included information on ONUB's assets, outstanding liabilities and fund balance as at 30 June 2009. Total income from the Operation's inception on 21 April 2004 to 30 June 2009 had amounted to $836,920,000, while total expenditures for that same period had amounted to $686,430,000. The fund balance had amounted to $9,618,000 as at 30 June 2009.

50. As at 30 June 2009, the cash assets in the Operation's Special Account had amounted to $65,988,000 and outstanding liabilities to $57,599,000, resulting in a cash balance of $8,389,000. The General Assembly was invited to credit the cash balance to Member States.

51. Introducing the performance report on the budget of the United Nations Mission in Ethiopia and Eritrea (UNMEE) for the period from 1 July 2008 to 30 June 2009 (A/64/586 and Corr.1), he said that the General Assembly had appropriated funding of $37,016,400 for the Mission and that expenditure had amounted to $31,005,000, leaving an unencumbered balance of $6,011,400, which represented a utilization rate of 83.8 per cent.

52. The main causes of variance were lower than budgeted costs for cleaning and dismantling the majority of the sites and United Nations facilities; lower than planned number of hours flown by fixed-wing aircraft and helicopters; and lower than budgeted freight and related costs.

53. The General Assembly was invited to return credits to Member States in the amount of $9,353,300, representing the net cash available in the Special Account of the Mission from the balance of credits in the amount of $14,736,400 due to Member States in respect of the 2007/08 financial period; to take note of the amount of $5,383,100, representing the remaining balance of credits due to Member States from the

2007/08 period, and of the amount of $9,361,600, representing credits due to Member States from the 2008/09 financial period; and to defer until its sixty-fifth session a decision on the treatment of the total amount of $14,744,700, comprising the amount of $5,383,100 and the amount of $9,361,600.

54. Turning to the Secretary-General's note on the financing arrangements for the United Nations Stabilization Mission in Haiti (MINUSTAH) for the period from 1 July 2009 to 30 June 2010 (A/64/728), he said that, in the light of the devastating earthquake on 12 January 2010 in Haiti, the Security Council, in its resolution 1908 (2010), had endorsed the increase in the overall force levels of MINUSTAH to support the immediate recovery, reconstruction and stability efforts, and had decided that MINUSTAH would consist of a military component of up to 8,940 troops of all ranks and a police component of up to 3,711 police.

55. Projected revised requirements for the expansion and maintenance of MINUSTAH for the period from 1 July 2009 to 30 June 2010 amounted to $732,393,000, representing an increase of $120,641,800 over the appropriation of $611,751,200 approved by the General Assembly for the maintenance of the Mission in its resolution 63/294.

56. The main causes of variance were an increase in the authorized strength of the Mission by 1,890 troops and 1,500 police; additional requirements in support of MINUSTAH staff related to an agreed financial assistance and compensation package applicable to all United Nations personnel serving in Haiti, the payment of allowances to personnel required to take a mandatory rest and recuperation break outside the Mission area, the deployment of non-MINUSTAH staff on temporary duty assignment, the provision of temporary living accommodation, and the cost of memorial services held in honour of fallen colleagues; the replacement and re-establishment of Mission assets and the initial requirements of the reconstruction programme; the establishment of a support office in Santo Domingo; and the expansion of the community violence reduction programme.

57. The General Assembly was invited to authorize the Secretary-General to enter into commitments for the expansion of the Mission for the period from 1 July 2009 to 30 June 2010 in the amount of $120,641,800, in addition to the amount of $611,751,200 that had already been appropriated for the same period for the maintenance of the Mission under the provisions of General Assembly resolution 63/294. The Assembly was also invited to assess the amount of $120,641,800 for the period from 1 July 2009 to 30 June 2010, in addition to the amount of $611,751,200 that had already been assessed for the same period for the maintenance of the Mission under the provisions of resolution 63/294.

58. **Ms. McLurg** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's report on the financing of ONUB (A/64/650), said that liquidation activities for the Operation had been carried out from 1 January to 30 June 2007. She recalled that information on the final disposition of assets had been provided in the Secretary-General's report on the financing of the United Nations Operation in Burundi (A/63/551), and that the General Assembly had taken note of that report in its resolution 63/288.

59. The Advisory Committee recommended that the available cash balance of $8,389,000, as at 30 June 2009, in the Special Account for ONUB should be credited to Member States in a manner to be decided by the General Assembly.

60. Introducing the Advisory Committee's report on the financing of UNMEE (A/64/660/Add.1), she said that, in his report (A/64/586 and Corr.1), the Secretary-General recommended that the General Assembly should return credits to Member States in the amount of $9,353,300, representing the net cash available in the Special Account of the Mission from the balance of credits in respect of the 2007/08 financial period; take note of the amount of $5,383,100, representing the remaining balance of credits due to Member States from the 2007/08 period, and of the amount of $9,361,600, representing credits due to Member States from the 2008/09 period; and defer until its sixty-fifth session a decision on the treatment of the total amount of $14,744,700, comprising the balance of credits due from both periods.

61. The Advisory Committee did not object to the Secretary-General's proposed course of action. The Advisory Committee understood that, in recommending that course of action, the Secretary-General had borne in mind General Assembly resolution 63/257 B, in which the Assembly had decided that Member States that had fulfilled their financial obligations to the

Mission would be credited with their respective share of the net cash available in the Special Account for the Mission as at 30 April 2009.

62. Introducing the Advisory Committee's report on the financing arrangements for MINUSTAH (A/64/660/Add.10), she said that the Secretary-General was requesting additional commitment authority in the amount of $120,641,800. The additional costs would be incurred primarily in providing support to the additional uniformed personnel authorized by the Security Council in resolution 1908 (2010); support to MINUSTAH staff; replacement and repair of assets and infrastructure; the support office in Santo Domingo; and funding for the community violence reduction programme.

63. The Advisory Committee recommended that the General Assembly should accept the Secretary-General's proposals, without prejudice to any further recommendations on future requests for posts and other resources for MINUSTAH.

64. The Advisory Committee had been informed that the Secretary-General would submit the budget proposal for the period from 1 July 2010 to 30 June 2011 to the General Assembly at its sixty-fifth session, and that he would request, as an interim measure, an additional commitment authority, with assessment, relating to requirements from 1 July 2010 to the time of approval by the General Assembly of the full budget proposal for 2010/11 period. The Advisory Committee would consider that request in the near future.

65. **Mr. Coffi** (Côte d'Ivoire), speaking on behalf of the Group of African States, conveyed the Group's condolences to the people and Government of Haiti for the loss of life that had been caused by the devastating earthquake of 12 January 2010, and paid tribute to the United Nations staff who had died in that disaster.

66. The Group supported the efforts of MINUSTAH to tackle the consequences of the earthquake and thanked the international community for its swift reaction and provision of humanitarian assistance to Haiti. It also supported the Secretary-General's request for an additional commitment authority in the amount of $120,641,800, which was required in order for the Mission to re-establish full operational capacity.

67. **Ms. Pakarati** (Chile), speaking on behalf of the Rio Group, said that, although the Group fully supported the important work done by United Nations peacekeeping missions, it appealed to Member States to achieve a better balance between the resources allocated to peacekeeping and those allocated to development activities, which were funded from the regular budget.

68. In addition to the devastation that it had wreaked on Haiti, the earthquake of 12 January 2010 had dealt a severe blow to MINUSTAH, completely destroying the Mission's headquarters and causing irreparable damage to its infrastructure and equipment. The Rio Group had immediately come to the aid of Haiti, the Group's poorest nation, and continued to provide it with assistance. However, in view of the limited national capacities of its members, the Group wished to emphasize that MINUSTAH, continued to have an important role in promoting the recovery, reconstruction and stabilization of Haiti.

69. The Group called for an expansion of the work of MINUSTAH and the United Nations to promote the reconstruction and recovery of Haiti while respecting national sovereignty and priorities. Those efforts should not only focus on security but also on Haiti's development needs, with a view to achieving stable and lasting peace.

70. The Secretary-General was requested to make full use of the $11 million appropriated for the community violence reduction programme and for quick-impact projects. In view of the urgency of the situation in Haiti, the Secretariat should relax the guidelines governing the operation of quick-impact projects and simplify accountability standards in order to facilitate implementation.

71. The Secretary-General should expedite the issuance of the performance report for 2009/10, as well as the budget proposal for 2010/11, for consideration by the General Assembly at its sixty-fifth session. The report should provide full details of expenditure for the totality of resources related to the maintenance budget originally approved in resolution 63/294 and the revised estimates requested in the Secretary-General's note (A/64/728).

72. The Group appealed to Member States to approve the Secretary-General's request without delay or further formalities.

73. **Mr. Fermín** (Dominican Republic) said that, as the Secretary-General's report indicated, his Government had allowed MINUSTAH to establish a

support office in Santo Domingo following the earthquake that had struck Haiti. That office was being used as a base from which 200 Mission staff provided services that did not require a physical presence in Haiti.

74. In order to formalize the Mission's presence in the Dominican Republic, it was necessary to conclude a memorandum of understanding that was consistent with the Charter and the Vienna Convention on the Law of Treaties between States and International Organizations or between International Organizations. His Government was cooperating with the Organization in that regard.

75. He called on Member States to provide MINUSTAH with the financial resources it needed to fulfil its expanded mandate.

76. **Mr. Patriota** (Brazil) said that MINUSTAH had played a vital role in building political stability and creating conditions for socio-economic development in Haiti. In the aftermath of the earthquake, the Mission was now faced with the twofold responsibility of rebuilding itself while at the same time spearheading recovery, stabilization and reconstruction efforts. It was therefore incumbent on the Committee to ensure that MINUSTAH was provided with the financial resources it needed.

77. His delegation welcomed the Secretary-General's proposal to widen the scope of the community violence reduction programme, and fully supported his request for a further $11 million to implement large-scale water management projects and expand existing community-based projects.

78. Stressing the importance of quick-impact projects in creating jobs and delivering basic social services, he urged the Secretariat to simplify the reporting requirements for such projects in order to avoid burdening them with cumbersome financial procedures and internal controls. In that connection, he recalled that the Special Committee on Peacekeeping Operations, in its most recent report (A/64/19), had stressed the need for expedited and flexible procedures for the implementation of quick-impact projects.

79. His delegation supported the Secretary-General's request for additional staff for MINUSTAH and expressed its appreciation for the assistance provided to Mission personnel, including local staff, following the earthquake. He praised the Secretary-General for his efforts to attract international attention to Haiti's pressing needs and called on Committee members to demonstrate leadership and continued commitment to Haiti by approving the Secretary-General's proposals forthwith.

80. **Ms. Corti** (Argentina) said that her delegation supported the Secretary-General's request for authorization to enter into commitments for the expansion of MINUSTAH in the amount of $120 million in the 2009/10 financial period. The amount requested was justified in view of the damage to the Mission's equipment and infrastructure and the need to respond to the humanitarian crisis.

81. She also supported the Secretary-General's proposal to expand the scope of the community violence reduction programme in order to mitigate the risk of violent activities and crime in Haiti. On the other hand, her delegation shared the concern of the Advisory Committee regarding the ad hoc nature of the measures that had been put in place to support MINUSTAH staff and would request further information.

Agenda item 146: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Updated financial position of closed peacekeeping missions as at 30 June 2009 (A/64/605 and A/64/659 and Corr.1)

82. **Mr. Yamazaki** (Controller), introducing the report of the Secretary-General on the updated financial position of closed peacekeeping missions as at 30 June 2009 (A/64/605), said that five of the 22 peacekeeping missions covered in the report reflected cash deficits totalling $86,648,000 and that the other 17 reflected cash surpluses totalling $213,843,000 which were available for credit to Member States. The latter amount was net of loans totalling $28,816,000 owed by two closed and two active peacekeeping missions. In the 2008/09 financial period, a total of $164 million in cross-borrowing had been required for eight active missions, while $13.5 million had been required for seven active missions in the 2009/10 financial period.

83. The adjusted net available cash balance for the account of the United Nations Iraq-Kuwait Observation Mission (UNIKOM) as at 30 June 2009 had amounted to $437,900. The Secretary-General proposed that two

thirds of that balance, in the amount of $291,900, should be returned to the Government of Kuwait.

84. The General Assembly was invited to approve the return of $291,900, reflecting two thirds of the adjusted net credits available in the account of UNIKOM, to the Government of Kuwait. It was further invited to approve the retention of the cash balance of $213,551,100 available in 17 closed peacekeeping missions in the light of the experience with the Organization's cash requirements during the 2008/09 and 2009/10 financial periods.

85. **Ms. McLurg** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/64/659 and Corr.1), said that, with regard to the Secretary-General's proposal that the General Assembly should approve the retention of the cash balance of $213,551,100 available in 17 closed peacekeeping missions, the Advisory Committee continued to be of the view that it was for the General Assembly to decide on the disposition of such balances.

86. With regard to the amount of $291,000 available in the account of UNIKOM, the Advisory Committee recommended that those funds should be returned to the Government of Kuwait, and that, in future, such funds could be returned without the need for a request.

87. **Mr. Al-Shahari** (Yemen), speaking on behalf of the Group of 77 and China, said that the Group fully supported the proposal to return the amount of $291,000 available in the account of UNIKOM to the Government of Kuwait. That amount should be returned without further delay and the Group would soon propose a draft decision in that regard. The question of the return of funds to the Government of Kuwait should be resolved separately from questions concerning other closed peacekeeping missions.

88. **Mr. Gürber** (Switzerland), speaking also on behalf of Liechtenstein, said that the question of what should be done with retained cash surpluses in the accounts of closed peacekeeping missions remained unresolved. Meanwhile, the level of cross-borrowing from the accounts of closed peacekeeping missions to fund active missions had doubled over the previous year.

89. Troop-contributing countries and countries that had fulfilled their financial obligations continued to be adversely affected by the non-payment of some $425 million in assessments for closed missions. The solution was for all Member States to comply with their Charter obligation to pay their assessed contributions in full, on time and without conditions. While there might be legitimate reasons why a country might be temporarily unable to meet that obligation, national legislation could not be used as an excuse for withholding contributions.

90. Recalling that retention of the balances in the accounts of closed missions was contrary to financial regulation 5.3, he said that the two delegations objected to the continued use of such balances as a secondary peacekeeping reserve fund and would request clarification regarding the legality of cross-borrowing from those accounts.

91. The cash flow problems of ongoing missions must be resolved in a transparent and financially sound manner. The two delegations agreed with the Board of Auditors that, in the light of the stringent accounting requirements of the International Public Sector Accounting Standards, there was a need to review the appropriateness of accounting practice and disclosure in connection with completed missions (A/64/5 (Vol. II), chap. II, paras. 45-47).

92. **Mr. Yamada** (Japan) said that two principles should be kept in mind when discussing the status of closed peacekeeping missions: first, payment of assessed contributions was a Charter obligation; and second, cash balances in the accounts of closed peacekeeping missions should be returned to Member States in accordance with the Financial Regulations and Rules of the United Nations.

93. His delegation shared the Advisory Committee's concern at the fact that a lack of liquidity at times had led to the borrowing of funds for active peacekeeping missions from closed missions, and wished to reiterate that the problem of cash deficits in closed missions should be resolved by timely and full payment of assessed contributions.

94. The Secretary-General should provide delegations with the most recent update of the amount of cross-borrowed funds for the period 2009/10 and information on the historical pattern of cross-borrowing. The Committee should carefully examine whether the Secretariat had made effective use of cross-borrowing and whether cross-borrowing would be required in the current and subsequent financial periods.

The meeting rose at 12.25 p.m.